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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA

Volume 20

JANUARY 1976

Number 6

Released Pursuant to §1000.3 and §1090.86, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - JANUARY 1976

The Chattanooga Order minimum uniform producer price is \$10.67 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 9.9 cents for each one-tenth of one percent above or below 3.5% test. This is a price increase of \$ 2.11 above January 1975 and an increase of 20 cents above December 1975.

In January 1976, 84.3% of producer milk received by pool plants was priced in Class I at \$10.99 per cwt., 7.0% was priced in Class II at \$9.00 per cwt. and 8.7% was priced in Class III at \$8.90 per cwt. for milk testing 3.5% butterfat. The January butterfat differential for all milk testing above or below 3.5% is 9.9 cents.

Total producer milk received at pool plants during January 1976 was 29,148,418 pounds which is an increase of 601,597 pounds or a daily average increase of 2.1% compared with January 1975. The January daily average deliveries from 509 producers was 1,847 pounds. This compares to 525 farms delivering a daily average of 1,754 pounds per day during January 1975.

PRODUCER MILK - RECEIPTS AND CLASSIFICATION 1/
(January thru December)

1975	Total Receipts	350,122,200 Lbs.
1974	Total Receipts	365,873,075 Lbs.
1975	Class I	282,384,791 Lbs.
1974	Class I	268,292,557 Lbs.
1975	Class II	31,855,177 Lbs.
1974	Class II	89,143,586 Lbs.
1975	Class III	35,882,232 Lbs.
1974	Class III	8,436,932 Lbs.

0 50 100 150 200 250 300 350 400
(Million Pounds)

1/ Order amended August 1, 1974 to provide for three classes of utilization instead of two classes. Class use not a true comparison.

COMPARISON OF MILK RECEIPTS AND UTILIZATION
(DAILY AVERAGE POUNDS)

	% Jan. '76			
	Over	Jan.	Dec.	Jan
	Jan. '75	1976	1975	1975
Number of Plants - Pool		4	4	4
- Non-Pool		15	11	15
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	+ 2.1	940,272	944,353	920,865
- Other Source	-10.7	47,927	39,404	53,642
- Other Federal Order	+86.8	14,393	1,029	7,703
Non-Pool Plants - Cl. I Sales in Area	- 3.4	63,253	58,145	65,446
TOTAL MILK RECEIPTS	+ 1.7	1,065,845	1,042,931	1,047,656

UTILIZATIONClass I Uses

Homogenized Milk	- 1.2	401,651	398,324	406,703
Lowfat - 2% Milk	+11.6	276,904	268,146	248,181
Skim Milk	- 1.0	20,969	18,759	21,171
Buttermilk	+ 1.5	61,126	57,830	60,247
Flavored Milk and Drink	+ 6.5	34,492	31,435	32,395
Sub-Total of Pkg. Items (Pool Plants)	+ 3.4	795,142	774,494	768,697
Other, Shrinkage		1,685	3,030	130
Sales to Non-Pool Plants		12,401	5,002	3,271
In Area Sales by Non-Pool Plants	- 3.4	63,253	58,145	65,446
TOTAL CLASS I USAGE	+ 4.2	872,481	840,671	837,544

Class II Uses - Pool Plants Only

Sweet Creams - Routes	+ 8.6	2,237	2,930	2,060
Sour Cream and Dip - Routes	+22.1	1,986	2,971	1,627
Yogurt - Routes	+54.1	581	309	377
Frozen Desserts and Ice Milk Mixes	-15.0	55,223	60,425	64,964
Other, Cottage Cheese, Inventory, etc.	-16.2	39,814	26,053	47,487
Sales to Non-Pool Plants	-17.0	5,396	2,927	6,503
TOTAL CLASS II USAGE	-14.5	105,237	95,615	123,018

Class III Uses - Pool Plants Only

Animal Feed and Dumped	+64.5	7,678	6,104	4,667
Class III Shrinkage	+16.5	15,602	15,544	13,389
Inventory Variation		9,976	(19,402)	4,588
Other, Overage, etc.		50	(80)	40
Bulk Sales to Non-Pool Plants	-14.9	54,821	104,479	64,410
TOTAL CLASS III USAGE	+ 1.2	88,127	106,645	87,094

IN AREA PACKAGE ROUTE DISPOSITION
BY POOL PLANTS AND NON-POOL PLANTS

Homogenized Milk	- 3.8	305,189	301,186	317,126
Lowfat - 2% Milk	+15.6	197,645	191,148	170,917
Skim and 1% Milk	- 3.8	15,129	13,532	15,732
Buttermilk	- 0.9	46,311	44,854	46,722
Flavored Milk and Drink	+ 6.1	28,102	25,446	26,480
Total Class I Disposition In-Area	+ 2.7	592,376	576,166	576,977

CLASS I PKG. ROUTE DISPOSITION

In-Area by Pool Plants	+ 3.4	529,123	518,021	511,531
In-Area by Non-Pool Plants	- 3.4	63,253	58,145	65,446

COMPUTATION OF PRODUCER UNIFORM PRICE

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JANUARY 1976	Class Percent	Butterfat Pounds	Product Pounds	Cwt.Price @ 3.5%	Total Value
Class I Producer Milk	84.352	642,544	24,587,417	\$10.99	\$2,702,157.13
Class II Producer Milk	6.957	191,942	2,027,808	9.00	182,502.72
Class III Producer Milk	8.691	341,556	2,533,193	8.90	225,454.18
TOTAL PRODUCER MILK	100.000	1,176,042	29,148,418		\$3,110,114.03
Less Handler Class I Location Adjustment					-0-
Add Value of Overages					-0-
Add Inventory Reclassification Charges					-0-
Add Value of Class I Other Source Milk and Producer Location Adjustment					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Balance					13,838.30
Total Utilization Value @ 3.5% Test			29,148,418	\$10.717399	\$3,123,952.33
Less Producer Settlement Fund Reserve			29,148,418	.047399	13,816.06
WEIGHTED AVERAGE PRICE @ 3.5% TEST			29,148,418	\$10.67	\$3,110,136.27

JANUARY 1976 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 9.9¢ PER POINT (EXCLUDES PREMIUM)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$10.175	3.6	\$10.769	4.2	\$11.363	4.8	\$11.957	5.4	\$12.551
3.05	10.2245	3.65	10.8185	4.25	11.4125	4.85	12.0065	5.45	12.6005
3.1	10.274	3.7	10.868	4.3	11.462	4.9	12.056	5.5	12.65
3.15	10.3235	3.75	10.9175	4.35	11.5115	4.95	12.1055	5.55	12.6995
3.2	10.373	3.8	10.967	4.4	11.561	5.0	12.155	5.6	12.749
3.25	10.4225	3.85	11.0165	4.45	11.6105	5.05	12.2045	5.65	12.7985
3.3	10.472	3.9	11.066	4.5	11.66	5.1	12.254	5.7	12.848
3.35	10.5215	3.95	11.1155	4.55	11.7095	5.15	12.3035	5.75	12.8975
3.4	10.571	4.0	11.165	4.6	11.7590	5.2	12.353	5.8	12.947
3.45	10.6205	4.05	11.2145	4.65	11.8085	5.25	12.4025	5.85	12.9965
3.5	10.67	4.1	11.264	4.7	11.858	5.3	12.452	5.9	13.046
3.55	10.7195	4.15	11.3135	4.75	11.9075	5.35	12.5015	5.95	13.0955

POOL PLANT ROUTE DISPOSITION SELECTED PACKAGE ITEMS - JANUARY 1976

Items	Milk Pounds	Av. Test	% of Total
Homo Milk	12,451,194	3.30%	50.21%
Lowfat - 2% Milk	8,584,025	2.00	34.62
Skim Milk	650,028	.47	2.62
Buttermilk	1,894,920	.43	7.64
Flavored Drink	1,069,232	1.63	4.31
Half & Half	57,965	11.76	.23
Whip Cream	11,375	35.75	.05
Sour Cream	39,665	19.86	.16
Sour Cream Dip	21,912	19.91	.09
Yogurt	18,011	1.50	.07
Total	24,798,327		100.00%

FEDERAL ORDER - PRODUCER MILK BASES - 1976

Federal Order Milk bases for producers will be announced by February 29, 1976. Milk Bases were established during September 1975 through January 1976. These bases are to be used for calculating payment to producers for milk deliveries during March through July 1976. If you do not receive your Milk Base Notice soon after March 1, 1976, please notify the Market Administrator, P. O. Box 8085, Chattanooga, TN 37411.

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/			Butterfat Diff.	HANDLER CLASS PRICES 1/		
	Per Hundredweight				Per Hundredweight		
	Uniform	Base	Excess		Class I	Class II	Class III
Jan. '75	\$8.56	-	-	7.7¢	\$8.91	\$6.90	\$6.80
Feb.	8.49	-	-	7.8	8.95	6.95	6.85
Mar.	8.44 2/	\$8.75	\$6.86	7.8	9.00	6.96	6.86
Apr.	8.48 2/	8.78	6.95	8.0	9.00	7.04	6.94
May	8.60 2/	8.88	7.04	8.0	9.01	7.12	7.02
June	8.61 2/	8.90	7.13	8.0	9.09	7.21	7.11
July	8.76 2/	9.12	7.40	8.8	9.17	7.45	7.35
Aug.	8.95	-	-	9.6	9.26	7.80	7.70
Sept.	9.40	-	-	10.1	9.50	8.37	8.27
Oct.	9.71	-	-	10.7	9.85	8.70	8.60
Nov.	10.20	-	-	11.2	10.42	8.94	8.84
Dec.	10.47	-	-	11.9	10.75	9.18	9.08
Jan'76	10.67	-	-	9.9	10.99	9.00	8.90
Feb.	-	-	-	-	11.23	-	-
Mar.	-	-	-	-	11.05	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK					
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Daily Average Pounds			Percentage Use		
	¢ lb.	¢ lb.	Cwt. -3.5%	Class I	Class II	Class III	Per Class		
Jan. '75	66.82	56.73	\$6.80	764,045	72,610	84,210	83.0	7.9	9.1
Feb.	68.07	59.24	6.85	768,419	80,627	139,425	77.7	8.2	14.1
Mar.	68.07	60.58	6.86	738,878	82,184	181,403	73.7	8.2	18.1
Apr.	69.19	60.66	6.94	759,785	108,797	146,159	74.9	10.7	14.4
May	69.19	60.36	7.02	780,974	92,334	110,920	79.3	9.4	11.3
June	69.19	60.44	7.11	721,087	118,266	113,532	75.7	12.4	11.9
July	76.62	60.45	7.35	758,335	126,105	96,461	77.3	12.9	9.8
Aug.	83.56	61.44	7.70	774,089	122,771	68,717	80.2	12.7	7.1
Sept.	87.87	64.08	8.27	845,822	63,103	22,796	90.8	6.8	2.4
Oct.	93.04	68.29	8.60	802,424	61,598	42,129	88.6	6.8	4.6
Nov.	97.28	71.36	8.84	789,061	61,333	70,400	85.7	6.7	7.6
Dec.	103.62	71.17	9.08	781,138	56,999	106,216	82.7	6.0	11.3
Jan. '76	86.12	66.04	8.90	793,143	65,413	81,716	84.3	7.0	8.7

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA					
	No. Hdlers	Total Receipts	Class I Use	Pool Plants	No. Prod.	Total Delivery	Base Delivery	Average Test-%	Av. Per Farm
Jan. '75	19	1,047,656	837,544	4	525	920,865	-	3.89	1,754
Feb.	19	1,108,305	836,919	4	601	988,471	-	3.85	1,645
Mar.	18	1,124,083	803,678	4	567	1,002,465	841,666	3.87	1,768
Apr.	18	1,122,545	825,321	4	562	1,014,741	854,515	3.78	1,806
May	18	1,101,844	846,701	4	557	984,228	840,125	3.74	1,767
June	18	1,057,279	772,728	4	570	952,885	802,710	3.71	1,672
July	18	1,097,026	811,262	4	625	980,901	782,023	3.64	1,569
Aug.	16	1,063,347	704,708	4	612	965,577	-	3.60	1,578
Sept.	16	1,077,503	908,919	4	540	931,721	-	3.66	1,725
Oct.	16	1,046,372	867,764	4	505	906,151	-	3.81	1,794
Nov.	15	1,035,802	845,453	4	501	920,794	-	3.87	1,838
Dec.	15	1,042,931	840,671	4	507	944,353	-	3.97	1,863
Jan. '76	15	1,065,845	872,481	4	509	940,272	-	4.03	1,847

1/ Excludes Premium

2/ Weighted Average Price

3/ Other Source is Gross Minus Producer